

Working with organized labor essay



CHAPTER OVERVIEW (PPT 15. 1-15. 2) Some employees prefer to work in a unionized setting, whereas others prefer a workplace that is not unionized. This chapter explores the labor-management relationship between companies and unions. It gives a brief review of the historical origins of U. S. labor unions. This is followed by a description of the status of labor relations in the U. S. and in other countries. Two different labor relations strategies used by employers are addressed along with the rules and procedures that govern union activities.

The chapter closes with a discussion of the impact of unions on HR policies and practices. ANNOTATED OUTLINE I. Why Do Employees Join Unions? (PPT 15. 3) A union is an organization that represents employees' interests to management on issues such as wages, hours, and working conditions. Generally, employees seek to join a union when they (1) are dissatisfied with aspects of their job, (2) feel a lack of power or influence with management in terms of making changes, and (3) see unionization as a solution to their problems. A. The Origins of U. S. Labor Unions Unions, as we know them today, were largely unprotected by law in the U.

S. until 1935. By the Great Depression (1930s), millions of workers lost their jobs as employers cut production costs. Consequently, unions were widely supported. In recent years, however, the public perception has changed dramatically. B. The Role of the Manager in Labor Relations Managers are on the front lines in dealing with employee or labor-management matters. When a union enters the picture, labor relations specialists are hired to resolve grievances, negotiate a labor contract, and to advise top management on labor relations strategy. II. Labor Relations and The Legal Environment

Labor relations policy is based on three laws: the Wagner Act (the National Labor Relations Act, NLRA, of 1935); the Taft-Hartley Act (Labor Management Relations Act, LMRA, of 1947); and the Landrum-Griffin Act (Labor Management Reporting and Disclosure Act, LMRDA, of 1959).

A. The Wagner Act (PPT 15. 4) The National Labor Relations Act, or the Wagner Act, was passed in 1935. It established the NLRB and five illegal labor practices:

1. Interfering with employee rights to form unions
2. Interfering with the administration of a union
3. Discriminating against union members
4. Discriminating against an employee who has filed charges under the act
5. Refusing to bargain with the union.

B. The Taft-Hartley Act (PPT 15. 5) This act was passed in 1947 to limit some of the powers that unions had acquired under the Wagner act. It established six unfair labor practices for unions:

1. Coercing employees
2. Causing the employer to discriminate against non-union members
3. Refusing to bargain in good faith
4. Secondary boycotts
5. Excessive dues
6. Featherbedding

C.

The Landrum-Griffin Act (PPT 15. 6) This act was passed in 1959 to give rights and protections to union members from their union leadership. It established five key provisions:

1. Bill of rights for union members
2. Unions must have a constitution
3. A union must report its financial activities
4. Elections are regulated by the government
5. Fiduciary responsibility of union leaders

III. Labor Relations in The United States (PPT 15. 7-15. 12)

Labor relations in the U. S. evolved from within the capitalist economic structure.

The key factors that characterize labor relations in this country are business unionism, unions structured by type of job, collective bargaining, labor

contracts, adversarial labor-management relations, and increased unionism in the public sector. A. Business Unionism Unions in the United States put a high priority on improving the economic welfare of their members. Business unionism focuses on “bread-and-butter” issues such as wages, benefits, and job security. B. Unions Structured by Type of Job In contrast to unions in some other countries, U. S. unions tend to be organized by type of job. C.

Focus on Collective Bargaining

Under a collective bargaining system, union and management negotiate with each other to develop the work rules. D. Labor Contracts The product of collective bargaining is a labor contract that spells out the conditions of employment and work rules that affect employees in the unit represented by the union. E. The Adversarial Nature of Labor-Management Relations and Shrinking Union Membership U. S. labor laws view labor and management as natural adversaries who will disagree over the distribution of the firm’s profits. For this reason, rules have been put in place so that the pie is distributed peacefully. F.

The Growth of Unions in the Public Sector The percentage of workers who are unionized in the private sector has declined while in the public sector the percentage has increased substantially IV. Labor Relations in Other Countries Labor relations systems vary from country to country. Unions mean different things in different countries. A. How Unions Differ Internationally Some unions emphasize economic issues, while others emphasize political issues. Some emphasize both issues, while others emphasize neither of them. B. Labor Relations in Germany Germany’s industrial democracy involves works councils and codetermination.

C. Labor Relations in Japan Japan's enterprise union has been a key factor in the success of its labor relations. V. Labor Relations Strategy The most important strategic choice affecting a company's labor relations is management's strategic decision to accept or to avoid unions. A. Union Acceptance Strategy (PPT 15. 10-15. 12) The acceptance strategy accepts collective bargaining as an appropriate way of establishing work rules through an exclusive agent for the employees. A company employing this strategy does not challenge the union's right to represent the employees. B. Union Avoidance Strategy (PPT 15. 13) An avoidance strategy believes that unions have a disruptive influence on employees. Companies may choose from two approaches to implement this strategy: 1. Union substitution 2. Union suppression VI. Managing the Labor Relations Process (PPT 15. 14) There are three phases to the labor relations process. These include union organizing, collective bargaining (negotiating), and contract administration. The key aspect of the third phase is the administration of the contract and the grievance procedure. A.

Union Organizing The union organizing phase is when employees work with a union to form themselves into a cohesive group. 1. Union solicitation 2. Pre-election conduct 3. Certification election B. Collective Bargaining The result of this phase is a labor agreement or contract. 1. Bargaining behavior (PPT 15. 16) 2. Bargaining power 3. Bargaining topics (PPT 15. 17) 4. Impasses in bargaining C. Contract Administration The key aspect of the contract administration is the management of the contract and the grievance procedure. . Steps in the grievance procedure (PPT 15. 18) 2. Types of grievances 3. Benefits of union grievance procedures VII. The Impact of

Unions on Human Resource Management (PPT 15. 19) Managers are more likely to develop HRM policies based on efficiency. But, when a union is in the picture, policies must reflect employees' preferences as well. Employees have preferences related to staffing, employee development, compensation, and employee relations. A. Staffing The contract can dictate how jobs are filled and on what basis they are filled. B. Employee Development

Performance evaluations are rarely used in unionized organizations.

However, there is often a greater amount of worker training. C.

Compensation On average, union employees earn 10% to 20% higher wages than comparable non-union employees. Unionized firms avoid using merit pay plans and are likely to give across-the-board pay raises to employees based on market considerations. D. Employee Relations The labor contract gives employees specific rights. The employees, through the collective bargaining process, have a voice in the development of work rules that affect their jobs. A QUESTION OF ETHICS: Guide to discussion

Page 514: One strategy for suppressing union activity is to ask certain workers to report to management any union-organizing activities that are taking place at the company. Is this strategy legal? Is it ethical? If you answered yes to both questions, do you think it is a good management practice? Why or why not? Simply asking employees to report any union-organizing activities is probably legal and ethical. However, if you make any implications that employees' job status may be affected in any way if they do not report the activity, or if they participate in the activity, you will have committed an unfair labor practice.

Students may differ on whether it is good management practice. Some may argue that keeping channels open so that you know what is going on is good management. Others will say that asking employees this would imply retribution and would be risky in itself. Page 519: Suppose at a prebargaining meeting between the company's negotiating team and top management it is decided that the company will give up to a 4% raise. When negotiations start, however, the lead management negotiator states that the company cannot afford more than a 2% raise and will go no higher. Is this ethical behavior?

What if the situation were reversed and it was the union negotiator who stated an absolute minimum demand, knowing that the union leadership will accept less? Would that be ethical? You may see starkly different student opinions on this issue. Allow students to dialogue on it for a while. However, it may be useful to point out (if the students don't) that in most cases both sides have skilled negotiators who know and understand that these are negotiating tactics and not necessarily absolutes. ANSWERS TO END-OF-CHAPTER DISCUSSION QUESTIONS 1. Why have labor and management tended to treat each other as adversaries in the U.

S. labor relations system? Labor and management tended to treat each other as adversaries because of their origins and their different missions. Labor unions see their mission as gaining better benefits and pay for their members regardless of the company's economic situation. Companies have viewed their mission as maximizing shareholder wealth, and keeping labor costs low is one way to help boost profits. 2. What factors are encouraging unions and management in the United States to adopt more cooperative

strategies today? The factors that are encouraging unions and management to adopt more cooperative strategies today include (1) the trend toward employee involvement, (2) both sharing the same general interest (a profitable enterprise) and experiencing greater security and rewards by cooperation, (3) external developments such as automation and global competition require a competitive advantage which can be produced through cooperation, (4) an increasingly educated work force, (5) highly publicized legal problems of some union leaders, and (6) the shrinking union membership. 3. What factors explain why unions in the United States have been losing more than 50% of all certification elections?

There are several reasons why unions have been losing so many certification elections. One, management styles have shifted to more employee involvement, empowerment, and other tactics that involve employees and make them feel that they do not need collective bargaining. Two, there has been a decline in industrial jobs and an increase in service industry jobs. Many service industry employees do not tend to support unionization and view that as something for industrial-type jobs. Three, unions have not been as successful lately in securing good contracts for their membership. 4.

Suppose a goal of management is to reduce the number of grievances filed by union employees each year. What are some ways that the HRM staff can contribute to this goal? The HRM staff can contribute to this goal through several possible means. One of the biggest impacts would be through a solid training program for supervisors. This could cover the contract itself, as well as conflict resolution skills to help keep conflicts from building into grievances. Students may have many other suggestions. 5. How can

management collective bargaining tactics be influenced by the company's labor relations strategy?

Provide examples. Once a company takes or chooses a labor relations strategy, it will employ tactics which complement that strategy. A company's labor relations strategy is its overall plan for dealing with unions. Under a union acceptance strategy, the tactics will include good faith bargaining tactics, mutual give and take, labor and management cooperative efforts, and clear delineation of power and authority lines (management reserves the right to manage or run the company and the union attempts to maintain union security and job security), to name a few.

Under a union avoidance strategy, tactics such as union substitution and union suppression are common. 6. What are some advantages and disadvantages of a strike from management's perspective? From the union's perspective? The advantages of a strike from management's perspective are: (1) it forces the parties to make concessions, resolve disputes, and get back to work; (2) it gives management an opportunity to show the union's lack of power; (3) it allows management to exhaust the union's strike fund; and (4) it permits management to hire permanent replacements.

The disadvantages include being forced to shut down operations, possible loss of customers, and negative effects on profits. The advantages of a strike from the union's perspective are: (1) it forces the parties to make concessions, resolve disputes, and get back to work; (2) it gives the union an opportunity to inflict costs on the company; (3) it allows the union to disrupt operations; and (4) it lets the union get management's attention. The

disadvantages include the fact that the workers do not receive wages or benefits while they are out on strike, a long strike may exhaust the strike fund, and workers risk job loss. . What, in your opinion, is the most significant impact of a union on the management of human resources? Explain. The most significant impact of a union on the management of human resources is its influence in shaping HRM policies. In the absence of a union, the company may develop all HRM policies based on efficiency. But, when a union enters the picture, management must develop HRM policies that reflect consideration for the preferences of workers who are represented by a union.

A union's strong preferences for high wages, COLAS, job security, the ability to express dissatisfaction with administrative actions, and having a voice in the development of work rules that affect their jobs get injected into the equation along with the employer's preferences. 8. It is often said that "good pay and good management" are the keys to successful union avoidance. Spell out the kind of policies and practices companies should develop if they want to keep their workers from unionizing. Do you think the employee relations practices you've mentioned are less costly or more costly than working with unionized labor?

The policies and practices that keep a company nonunion include: (1)high involvement management practices, (2)open door policies, (3)promotion from within policies, (4)profit-sharing and employee stock ownership plans (ESOP), and job security policies. These policies and practices can be less costly than working with the union, but not necessarily. 9. The Teamsters strike with the United Parcel Service in 1997 (see opening vignette) has been

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considered by labor relations experts to be one of the most important strikes in the United States in recent times. Do you agree with this assessment?

What do you think were the issues that made this conflict between labor and management at UPS so noteworthy? I would be surprised if any students are game to try to disagree with “labor relations experts,” but if they support their views, great! The issues were that for one of the first times, the make-up of the workforce and the use of part-timers was the major bargaining issue. The company agreed to create 10,000 new full-time jobs over 5 years. That is a significant milestone in labor history. 10. Some experts in the field of labor relations believe that when a union can pose a credible threat of a strike to management in the collective bargaining process, both parties – union and management – are motivated to move in the direction of a settlement and reach a labor agreement. They also claim that without a credible strike threat, the two parties are less likely to arrive at a joint agreement. What is the basis for this justification for giving the union the privilege of exercising its right to strike? Do you agree or disagree with this argument? Explain your reasoning. There is a strong motivation to avoid a strike on both sides of the table.

A strike imposes costs on both parties. The employer obviously wants to avoid a strike to maintain their operations and avoid disruption to the business. The ability to service customers will suffer, and the bottom line is negatively impacted. On the union side, striking union members receive no wages or benefits until they return to work, although they may draw some money from the union’s strike fund, which will provide a small allowance to cover the striking members’ basic expenses.

However, a long strike may exhaust the strike fund, putting pressure on the union to make concessions in order to get its members back to work.

Workers on strike also face the risk of losing their jobs to permanent replacement workers. 10. Individuals who are sympathetic to unions claim that currently in the United States it is very difficult for unions to win certification elections, which is why union membership is in a period of decline. To remedy this situation, some experts propose changing the labor relations law governing elections, making it easier for the union to win an election.

One way this could be done is to allow a union that receives a majority of employee signatures on the authorization cards during the preelection period to be recognized as the certified bargaining agent for the work unit of employees. The labor law in Canada already allows unions to win certification elections this way. Do you agree or disagree that the U. S. labor law needs to be changed to be more favorable to unions? Explain your position. Students will have differing opinions based on their opinions regarding unions.

Employers would be strongly opposed to this as it provides them no opportunity to develop a response or strategy to keep the organization union-free. Additionally, it is not uncommon that many times employees sign union authorization cards as a means of capturing the attention of management about issues that they are concerned about, and often times, end up voting against the union. U. S. labor laws have changed dramatically over the years and at this point in time there is an ongoing struggle to find the correct balance of employer, union, and employee rights.

Emerging Trends Case 15. 1 Organized Labor Leads the Charge for Corporate Governance Reform Critical Thinking Questions 1. Why are U. S. unions putting pressure on Congress to change accounting practices and putting pressure on corporate boards to reform the basis for the allocation of executive pay? How will union membership benefit when these changes are made? The unions have put a spotlight on executive pay, blaming highly paid executives for the layoff of thousands of employees.

The unions position is that there is a growing economic wedge between the rich and the poor, and that long-term retirement security of the American worker is threatened due to the short term focus of executives on profitability and shareholder return. Unions cite that executive pay has grown significantly in recent years while the typical worker's paycheck languished. By making reforms to corporate governance, the unions hope to influence the focus to shift to long term strategies which will presumably result in good returns on pension investments and promote long-term job preservation and growth. . How does control over union pension funds give unions the power to influence corporate boards to make decision that are favorable to the interests of union members? Union leaders maintain that it is the pension funds that allowed executive pay to grow significantly while the typical worker's paycheck remained stagnant. They maintain that instead of thinking in a long-term time frame, management is viewed as harboring a new " short-termism" focused primarily on generating profits to please shareholders.

Union leaders suggest that pension funds controlled by the company are responsible for layoffs, and push companies into thinking only about

quarterly profit statements instead of long-term profitability, spurring the short-term cost cutting mode that promotes layoffs. The unions' logic is that workers are forced to make a choice between earning good returns on their pension investments, and promoting long-term job preservation and growth. By having control over pension funds, unions are in the position to promote a longer term focus and ensure more security to their membership.

The unions' argument is to promote long-term investment strategies rather than the short term investing to please shareholders. Discussion Case 15. 2 High-Technology Employees Still Don't March to the Union Beat—Yet! 1. Why do you think it is difficult to organize high-technology employees into unions? At this point, it is because the companies are paying well and the employees are given many amenities that other companies do not have, such as flexible hours and casual dress. They also feel like they are being entrepreneurial, and that is exciting. 2.

Suppose you were trying to organize a union at a high-tech company such as Microsoft, which has a large group of disgruntled temporary employees who do not share in the success of the company with the full-time workers. How would you try to organize these employees into a union? What difficulties should you be prepared to overcome? There might be many answers to this question. Some of the more likely include: play up the unfair treatment, the lack of benefits, and the "disposable" attitude toward these employees. You want to show them that the union will give them respectability, more job security, and benefits.

There are many difficulties to overcome, some of them include: these employees are temporary, so they may fear less chance of getting another contract or project if they participate in organizing; they may not feel that there is any hope; they may fear that they will be dismissed if they participate. 3. What possible threats do you think a union would pose for the management of a high-tech firm such as Microsoft? It may slow them down and, through work rules, make them less flexible and less responsive to emerging opportunities.

It may also reduce their profitability and, therefore, their reinvestment monies for fueling R&D to keep ahead of competitors. Customer-Driven HR Case 15. 3 When is a Team a Union? Critical Thinking Questions 1. Why did the local union object to the way Amalgamated's management used problem-solving teams? The problem-solving teams usurped the union's role. The union is responsible to represent employees concerning wages, hours, and working conditions. Rather than deal with a union, the company violated national labor policy by using problem-solving teams to address wage issues (i. e. , pay raises and health insurance benefits). . What is the difference between a team and a union? The differences between a team and a union involve (1) the types of issues addressed, (2) the extent to which the group speaks to management on behalf of the employees, (3) the degree to which management exercises influence over the group, and (4) the extent to which voluntary participation is sought. 3. To avoid the NLRB's cease and desist order, what should Amalgamated's management have done differently in using problem-solving teams? The problem-solving teams should have been used to focus on quality improvements rather than wages. Discussion Case

15. Recognizing and Avoiding Unfair Labor Practices Critical Thinking

Questions 1. For each of these three scenarios, you need to determine whether you think an unfair labor practice would be committed if you as a manager act on the request that is being given to you by management or employees. Which unfair labor practice(s) could be violated? In some situations, more than one unfair labor practice could occur. Scenario #1: You cannot actively organize and “ help” the employees with a decertification drive. You can, however, give them information about their rights and how the decertification process works.

If you actually get involved with the drive, you could be interfering with the administration of a union. Scenario #2: If you follow those orders, you will be interfering with employee rights to form unions. You may also be committing some criminal actions by falsifying the reasons for termination. Scenario #3: The suggestion by the production manager is a valid one that many companies utilize. Companies are free to hire replacement workers and may reassign those not in the bargaining unit to cover the work. Companies do not have to shut down just because a union goes on strike. . Place yourself in the position of the manager in each of the scenarios and respond to each of the requests. If you decide to reject or accept the request, indicate the reason for your decision. Then, develop a suggested plan of action that will deal with the issue that has been brought to your attention. The decision to accept or reject and the reasons are outlined in the answers to question #1. The plans of action will vary a lot but should reflect careful attention to the issues and the complications that could result. 1. Interfering with employee rights to form unions 2.

Interfering with the administration of a union 3. Discriminating against union members 4. Discriminating against an employee who has filed charges under the act 5. Refusing to bargain with the union. Video Short Cases 15. 5 Labor Relations and Employment Security Critical Thinking Questions 1. Do you think Daryl has alleviated Sara's concerns that her interests as an employee might be better served by belonging to a Union? Why or why not? Unions are sophisticated, influential and powerful. Sara's prior union membership gave her a sense of security and she is clearly apprehensive about trusting "management" at Hot Jobs.

Before Sara can understand the benefits of an open door policy, she must be convinced that it is to her advantage. Although, Daryl does not seem to have persuaded Sara that "management" is not the enemy, some students may want to take the opposing view. Answers should stress the magnitude of HR's role in articulating corporate philosophy/policy to new employees 2. After the surveillance tape comes to a close, Martin Buckingham says to Meg Allen "A lot of people don't like to talk about Unions." What do you suppose he means and why might that be true?

Answers should reflect union history, including unfair practice by both employers and labor unions. The subject of unions remains a touchy one for management as it is ultimately divisive. Corruption and scare tactics still loom large in certain areas of the labor movement. Students may have first hand knowledge of strikes, boycotts, picket lines; or they may have been a member of a union themselves, or have a family member who belongs to a union. 3. As an HR manager at Hot Jobs, how would you educate your supervisors in order to prevent Unionization?

All members of management need to be well versed in the 5 steps of the union drive and election and all rules regarding literature and solicitation. They need to know the legal ramifications that their actions might have on any attempt by a Union to organize an election at Hot Jobs. Managers should be trained to look for any signs of discontent among employees or of union activity. Written personnel policies must be strictly adhered to and revised to ensure fairness. Above all, supervisors must not distance themselves from the concerns of their team; by keeping the lines of communication open and being aware of morale.

Supervisors should handle all grievances as quickly and fairly as possible. Management should stay up-to-date on union web sites and well-informed about the unionization trends in their industry. Generalizations abound, however not every trucking company is unionized and the high-tech sector is not union free. Since the Enron scandal, successful union-organized shareholder campaigns have come to light. 4. What measures might you take as a member of the Hot Jobs HR team to ensure that your employees have a work environment that is as healthy and safe as possible?

Be sure to address issues that apply directly to the technology industry in your answer. It is important not only to comply with OSHA standards and keep all records as required, but to go beyond those requirements at Hot Jobs where the working environment itself is one of the main draws for talent. Some things to pay attention to would be computers, work stations, safety of wiring, possible fumes, ventilation, prevention of repetitive trauma injury with ergonomically correct furniture or keyboards, lighting, non-

smoking areas, noise reduction, mandatory breaks and vacation time to reduce stress and burnout.

Students who have worked in a high tech environment may have specific areas of concern that would be pertinent to Hot Jobs. In the wake of 9/11, security measures are more important than ever. 5. Do you agree with George Morgan that Unions may serve management well in industries where there is a large labor force composed of people working in isolated situations? Why? In making your argument, choose a specific industry to serve as your example.

A strong argument in favor of unions can be made using American Federation of Teachers, United Steelworkers of America, United Auto Workers, The American Postal Workers Union, Communication Workers of America, The United Brotherhood of Carpenters, United Mine Workers, or any of the building trade unions. Students may want to look into the on-line newsletters of any of these labor unions to find out what it is they are currently doing for their membership. Some student's may want to make a case for white-collar unions. 6. (Optional) Imagine what lies ahead for Sara in the next 6 months at Hot Jobs.

Will she succeed at Hot Jobs? What factors will be critical to her success or failure there? Aside from proving that she has the necessary skill and talent, Sara will have to fit into the corporate culture at Hot Jobs in order to be successful. Student opinion will vary according to their view of Sara. Some may see her as a person who is limited in scope, and will never feel comfortable in the rather free, self-motivated, work intensive atmosphere at

Hot Jobs. Others may feel that all she needs is exposure and education by HR and her supervisors in order to get into the groove.